

Maine Center for Disease Control and Prevention WIC Nutrition Program

Effective: October 1, 2011

Policy No. FM-12

Indirect Costs

Authority

7 CFR §246.4(a)(12)

OMB Circular A-87

OMB Circular A-122

Policy

1. The State Agency documents and monitors indirect cost rates and services at the state and local levels.
2. The State Agency must ensure that local agency services received and paid for through indirect cost allocation are not also charged directly to the WIC Program.
3. The State Agency's indirect cost rate is based on:
 - 3.1 Salaries
 - 3.2 Direct costs for administration
 - 3.3 The State of Maine's approved cost allocation plan

Procedures

1. The State Agency receives the following types of services under the indirect cost rate agreement:
 - 1.1. Budgeting/accounting
 - 1.2. Personnel/payroll
 - 1.3. Procurement/contracting
2. The State Agency allows Local Agencies to report indirect costs.
 - 2.1 Local Agencies may negotiate an indirect-cost rate with a Federal Cognizant Agency. A copy must be submitted annually during the contract renewal process.
 - 2.2 If there is no negotiated rate, indirect costs must be documented and allocated reasonably.
3. When the State Agency reviews the Local Agencies' indirect cost rate agreements, the review includes:

- 3.1 Required submission of indirect cost agreement (annually, with contract renewal)
 - 3.2 Assessment of how the rate or method is applied (correct time period, percentage, and base)
- 4. The State Agency verifies during the biannual Management Evaluation Review that indirect charges are not a duplicate of direct charges by comparing line item detail to the cost allocation plan.